

***DARYL & KATHY NIX
4645 Monticello Road
Napa, CA 94558
707-252-9564
707-252-6814 Fax***

***TO: Mark List – State of California Central
Valley Regional Water Control***

FROM: Daryl & Kathy

DATE: 9-26-06

***RE: CEASE & DESIST ORDER for Napa
Berryessa Improvement District***

*Please find the attached letter sent to Napa County Supervisor,
Diane Dillion.*

*We are in desperately needing relief... as we have no income
unless we can proceed with a permit.*

September 26, 2006

TO: DIANE DILLION, Napa County Supervisor

FROM: DARYL & KATHY NIX
4645 Monticello Road
Napa, CA 94558
PHONE: 707-252-9564
FAX: 707-252-6814

RE: CEASE & DESIST ORDER for Napa Berryessa Resort Improvement District
Wastewater Treatment System

Dear Diane,

I am following up after speaking with you today and regarding the letter we faxed you on September 21, 2006 and again today. We desperately need a response from you, our Representative in the Lake Berryessa area, along with the Napa County Board of Supervisors to receive some immediate help and relief in the in the matter of the Cease and Desist Order for the Napa Berryessa Resort Improvement District Wastewater Treatment System.

The first introduction we would like to make is that we are Pastors of the Community Church of Lake Berryessa in your District. We have been pastors there in this small church for the past 7 years and have had to work regularly to support our family and the Church. We have worked diligently to make the Lake Berryessa community come together and create an atmosphere that will produce growth in the community spirit. We have worked in the Church and community to bring the Napa Valley Food Bank to the area as well. We also have a weekly food distribution solely produced by the Church. Our personal work in business and the financial support that brings in tithes to the Church have kept the doors open.

We are a small family developer and we were about to pull our permits for Application #B06-01258 dated July 26, 2006 with the Napa County Planning and Building Dept. for proceeding with our next project on lot# 98 Bahia Vista in the Berryessa Highlands when this Cease and Desist Order came without any prior notice. We had "every requirement of the Napa County Planning and Building Dept." in and completed to pull our permit to start the project. We just needed to pay fees and start. We have a loan for \$250,000 for the lot and construction. We have no way to pay for this loan or to refinance it, in other words we have no options to pay for this short term construction loan at present if we are not allow a permit to start. We are one of three that we know of that are caught in this tragic event. We feel this these are isolated cases and should be handled differently to give relief to individuals left with no options but financial ruin.

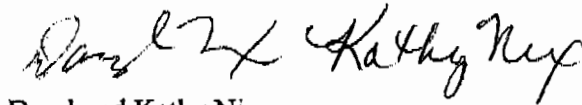
As I had mentioned to you, I am also a Manufactured Home Dealer with the State of California, Dept. of Housing and Community Development. I ordered and paid \$21,000

for a home for this project out of a draw from the construction loan. The house is built and now ready to be moved from the factory. I still owe \$53,000 right now that I cannot pay because I am not able to proceed with the draws on this construction loan for this project. Today Karsten Homes in Sacramento is meeting to make a decision on whether they are going to take back the home and cancel my retail dealer status with them if I cannot proceed and pay for the home immediately. This has also been a primary source of income to us and will devastate our financial status.

The pressure of this incredible stress has left us not knowing exactly where to go for help. We are at a place where we cannot pay our bills, as we had built in income in our project draws for both my husband and my son. At this point we suddenly have no income.

We are praying that your meeting tomorrow with the State of California and Napa County Public Works will be fruitful in giving us some immediate relief and allow us to proceed.

Very Sincerely,

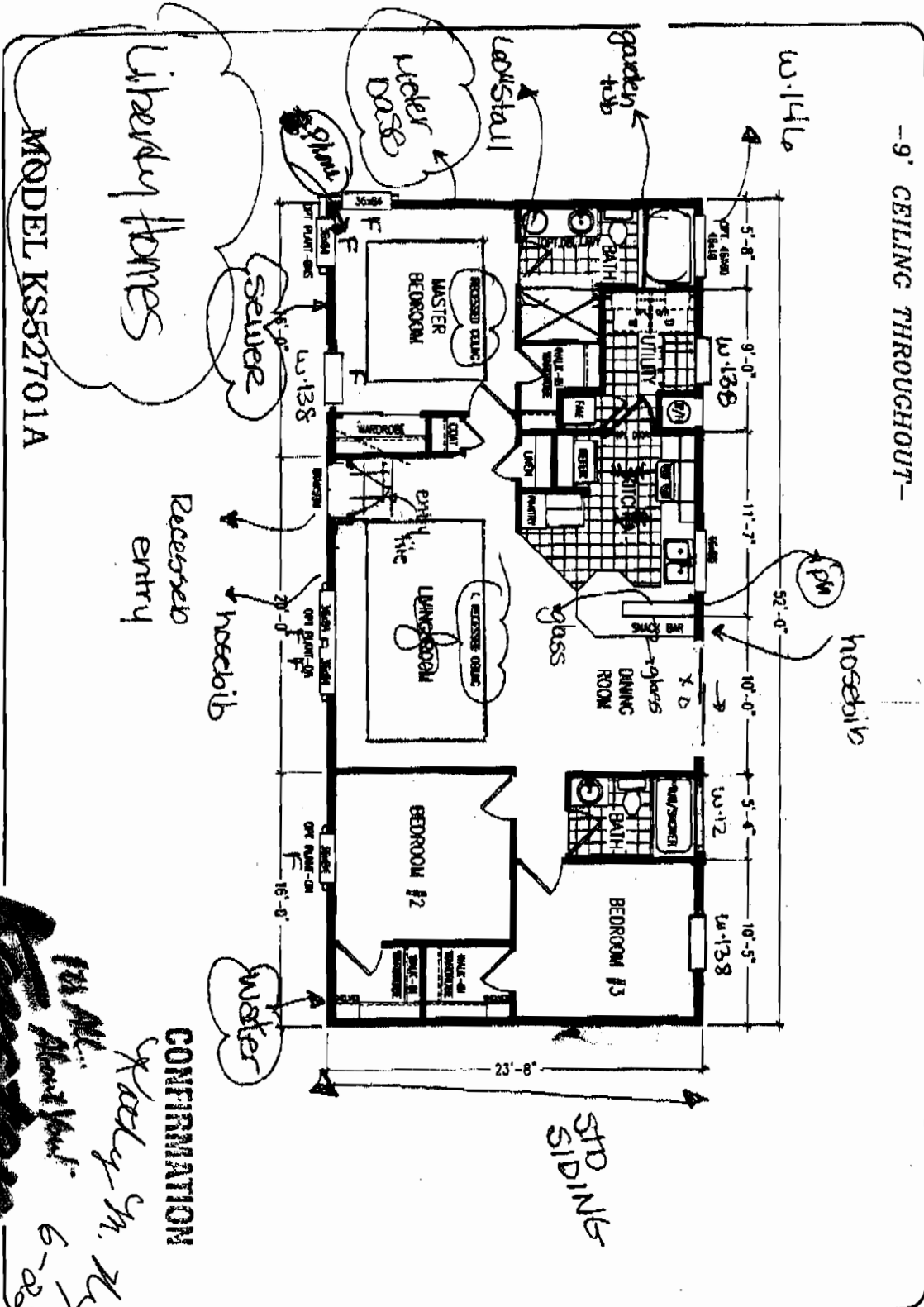
A handwritten signature in cursive script, appearing to read "Daryl & Kathy Nix".

Daryl and Kathy Nix

cc: Napa County Public Works – Nate
Central Valley Regional Water Control Board – Mark List

1230 SQUARE FEET * 3 BEDROOM * 2 BATH

hose's



CONFIDENTIAL

Kurtz
THOMAS
6-29-06
Kurtz M. NY
PA. ME.
Alford Kent.

From: